



April 17, 2007

H.R. 1515 – To Amend the Housing and Community Development Act of 1974 to treat certain communities as metropolitan cities for the purposes of community development block grant programs.

Floor Situation

H.R. 1515 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. The bill was introduced by Representative Jerry Costello (D-IL) on March 14, 2007. H.R. 1515 was ordered to be reported, as amended, from the Committee on Financial Services, by voice vote, on March 29, 2007.

The bill is expected to be considered on the floor on April 17, 2007.

**Note: During the 109th Congress, similar legislation passed the House of Representatives on June 14, 2006, as part of H.R. 5576 (Title III, Section 326). H.R. 5574 was never passed by the full Senate.*

Summary

H.R. 1515 amends the Housing and Community Development Act of 1974 to designate the cities of Alton and Granite City, Illinois, as metropolitan cities under the community development block grant program.

Background

The Community Development Block Grant (CDBG) program was created in 1974 to assist state and local governments with housing, community, and economic development activities for low- or middle-income families. Congress appropriated \$3.7 billion in CDBG funding for FY2006. 70 percent of these funds are distributed to metropolitan cities and urban counties through a formula based on several factors, including population and population density. The remaining 30 percent is allocated to local governments that do not qualify as entitlement communities based on state-determined criteria.

In 2003, the Office of Management and Budget adopted new standards for entitlement communities to receive CDBG funding. Communities that were previously eligible for funding were grandfathered in based on their classification for the previous two years.

While both Alton and Granite City, IL, were previously eligible for funding, neither city met the new population requirements. However, because Alton and Granite City had previously qualified through their urban county (instead of as a city), they were not grandfathered into the program. This urban county is no longer above the population threshold. H.R. 1515 restores the eligibility of both cities as “metropolitan cities.”

Note: According to the bill’s sponsor, the Department of Housing and Urban Development (HUD) has verified that Alton and Granite City are the only two previously eligible communities nationwide to be impacted by the OMB new standards.

Cost

The CBO estimates that this bill would have no significant cost to the federal government over the next five years.

Staff Contact

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